



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Stephen L. Lockwood, Treasurer  
Reform Party of California  
14211 Yorba Street  
Tustin, CA 92780

MAR 24 1999

Identification Number: C00328328

Reference: July Quarterly (4/1/98-6/30/98), October Quarterly (7/1/98-9/30/98),  
Twelve Day Pre-General (10/1/98-10/14/98) & Thirty Day Post-General  
(10/15/98-11/23/98) Reports

Dear Mr. Lockwood:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses no payments for administrative expenses. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X submitted each year. 11 CFR §106.5(d)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your

report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew J. Petusky". The signature is fluid and cursive, with the first name "Matthew" being more prominent than the last name "Petusky".

Matthew J. Petusky  
Reports Analyst  
Reports Analysis Division

98-03-436-1542